APPENDIX.

I.

Comparative Charges.

1. Fairfax's charges are lawful in Kentucky, and, therefore they are lawful in California. [See, sec. 2, *infra.*] The maximum rates respectively permitted by Kentucky [*Ky. Rev. Stats.,* sec.] and California [*Cal. Fin. Code,* sec. 24452], and the rates actually charged by Fairfax (exclusive of an insurance charge of 75¢) [*Clk. Tr.,* p. 5g] are shown in this table:

Principal Acount	Ky.	Cal.	Fairfax
Up to $100	3%	2½%	2½%
$100 to $150	3%	2%	2½%
$150 to $300	2%	2%	2%

The difference between Kentucky's and California's maximums is $1.00 per month (plus two or three cents for the insurance charge) until the unpaid balance is reduced to $150, after which the difference decreases each month in proportion to the decrease of that balance. The important point, however, is that Fairfax's rates are lower than Kentucky's. The difference between California's rates and those charged by Fairfax therefore, is 25¢ per month until the balance or unpaid principal is reduced to $150, after which it decreases until that balance is $100. From then on Fairfax's charges are the same as the California rate.

2. The last act necessary to make the loan contract effective takes place in Kentucky. [*Clk. Tr.,* p. 20, lines 15-25.] It is, therefore, a Kentucky contract. [*Michelin Tire Co. v. Coleman & Bental Co.,* 179 Cal. 598, 604, 178 Pac. 508, 510; *Monarch Brewing Co. v. Meyer Mfg. Co.,* 9 Cir., 130 F. 2d 582, 585.] The con-